

**State of South Carolina
Department of Agriculture**



**Accountability Report
2006-2007**

Accountability Report Transmittal Form

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South Carolina Department of Agriculture

Accountability Report

Fiscal Year 2006-2007

Section I – Executive Summary

1. Mission and Values

The mission of the South Carolina Department of Agriculture is to promote and nurture the growth and development of South Carolina's agriculture industry and its related businesses while assuring the safety and security of the buying public.

Our shared vision is for the state economy to grow and prosper providing everyone, producers and consumers, opportunities to enjoy the fruits of agriculture.

The Department of Agriculture is mandated by almost 40 separate South Carolina laws related to:

- fostering the state's commerce of agriculture through marketing and promotion
- protecting the citizens of the state by ensuring proper weights and measures, grading and inspection of the state's agriculture products, and laboratory analysis of food, feed, seeds, cosmetics, and petroleum products

Originally created by an Act of the General Assembly on December 23, 1879, the South Carolina Department of Agriculture (SCDA) continues to provide programs and services affecting all the people of the Palmetto State – producers and consumers. The SCDA is charged with supporting the efforts of the state's second largest industry – agriculture. While the Department of Agriculture provides programs and services that focus on agriculture and agribusiness, the agency also touches the lives of every citizen of the state.

The Department's role is crucial in promoting and safeguarding an industry with a \$7 billion impact to the state's economy. However, the activities of the Department also impact and influence many other industries in the state.

Many of the Department's activities are related to commerce – developing, expanding, and protecting the integrity of agricultural commerce in our state and providing the highest quality consumer service with regards to food protection and value.

Our Agricultural Services Division includes Marketing, Market Services, and Grading, Inspections, and Market News. Marketing works to maintain and develop broad-based marketing programs to increase consumer awareness and product demand for quality South Carolina agricultural products at local, national, and international levels. Staff work primarily with buyers from major supermarket chains to gain more shelf space for South Carolina produced and processed products. In addition, Marketing includes the SC Certified Roadside Market Program, established in 1972 as the first official roadside market program in the state, and the Small Farms Program which includes almost 70 local community-based farmers markets across the state.

The three state farmers markets have a significant impact of hundreds of millions of dollars on the state's economy, particularly in rural areas. The SC Department of Agriculture also works cooperatively with the US Department of Agriculture to provide commodity Grading, Inspection, and Market News Services. Grading and/or inspections are performed for fruits, vegetables, peanuts, poultry and eggs, grain, and livestock throughout the state. And, products are inspected and certified at export warehouses for international shipments. Market news reports on price, volume and other market information for fruits and vegetables, grain, and livestock are issued to all segments of the industry and to consumers through printed reports and recorded messages as well as daily and weekly newspapers.

In addition, the *Market Bulletin*, a valuable resource for farmers and non-farmers, includes millions of dollars in ads in each issue, and over one-third million people view our website in any given year to find out about the programs and services we offer. Those are marketing tools that help keep our agricultural economic engine running.

The Laboratory Services and Consumer Protection Divisions have functions that are vital not only to the health and well-being of our economy but also to our people. For instance, our inspectors check scales and measuring devices throughout the state for accuracy. They make sure that a pound of hamburger is a pound of hamburger and that a gallon of gas is really a gallon. Now that a tank of gas has reached epic proportions, consumers want to know that gas pumps measure correctly. In fact, South Carolina has 2 ½ times more gas pumps today than 10 years ago, but our consumer services division has had a significant decrease in the number of inspectors. At several dollars a gallon, this function is more important to consumers and marketers than ever.

While checking scales, Department inspectors also collect samples for the laboratory to analyze. Lab technicians ensure that the ingredients listed on the package are really the ingredients in the package. Beef or dairy cattlemen and women want assurance that the bag marked "no animal protein" actually contains no animal protein. Farmers and gardeners want to make sure that their seeds germinate properly. And, parents of a diabetic child want to be assured that the cookies marked "sugar free" are just that.

Currently, the Department serves producers who earn their livelihood on approximately 4.85 million acres of farmland in the state. Cash receipts for crops and livestock total about \$2 billion but the ripple affect goes far beyond the farm gate. Billions of dollars are generated in revenue, taxes, and jobs, particularly for the rural communities of the state. Add to that the food and forestry agribusiness sector, and the industry of agriculture in South Carolina is significant to the vitality of the state's economy. Nationally, South Carolina ranks near the top in the production of several agricultural products – 2nd in peaches and flue-cured tobacco, 4th in all tobacco, 6th in peanuts, 7th in watermelons, 8th in cantaloupes, cucumbers and sweet potatoes, 9th in turkeys raised, and 10th in tomatoes and snap beans.

The Department of Agriculture, a relatively small agency with a \$4.8 million general fund budget, has very large responsibilities to both producers and consumers regarding the safety, security, and marketing of agricultural products, both fresh and processed. The 128-year-old agency is dedicated to promoting and heightening the public's awareness of South Carolina's agriculture commodities and the farmers who produce them.

2. Major Achievements Over the Past Fiscal Year

- a. The implementation of the first-ever fully funded branding and marketing program has increased the visibility of SC agriculture.
- b. With restructuring, the Department has become more efficient and effective.
- c. The work environment has improved with improvements in management.
- d. Collaborative efforts with public and private partners continue to increase. (SC Advocates for Agriculture, SC Food Policy Council Task Force, SC Interagency Food Safety Council, SC Direct Marketing Association, etc.)
- e. Because of the diligent efforts of the Department's laboratory technicians, pesticide residue tests show that the state has very safe and healthy fruits and vegetables which speaks well of our growers. Samples of produce tested are consistently under the national average for over-tolerances which makes our state at the top of one of the "good" lists.
- f. Improved technology allows a more accurate, timely response to consumers.
- g. Alternative funding possibilities through grants supplement federal funds.

3. Key Strategic Goals for Present and Future Years

- a. Promoting agriculture and agribusiness in the state by providing agricultural marketing opportunities
- b. Maximizing protection of goods and services for producers and consumers
- c. Providing public awareness, promotion, and publicity of South Carolina agricultural products
- d. Fiscal integrity and improved accountability and customer service

4. Opportunities and Barriers

Opportunities

- a. Ongoing efforts to enhance programs and services.
- b. Focus on fiscal accountability and the restructuring process to increase agency efficiency and effectiveness
- c. Employ professional development and recognition based on evaluation process
- d. Continued improvement of internal communications through e-newsletters
- e. Improving the Department's web site to be more user-friendly for consumers and producers with accessibility to reach all stakeholders, producers and consumers, specially those with disabilities and special needs
- f. Employing new computer software to provide more data with which to quickly solve problems and issues and to help determine the efficiency and effectiveness of consumer programs and services
- g. Employing new techniques and methods that are more user-friendly for the Department's customers
- h. Relocation of the Columbia State Farmers Market and expanding the other two state farmers markets in Greenville and Florence
- i. Increased funding to support a long-term marketing and branding program for SC agriculture

Barriers

- a. Lower salaries than the private sector, making it difficult to retain qualified employees
- b. Heavy workloads and staff reductions through natural attrition and retirement programs
- c. Funding not provided from collections of fees for licenses, permits, etc.
- d. Laws enforced by the Department outdated by today's standards

5. Accountability Report

The accountability report is an important tool for improving organizational performance. Building on information provided from year-to-year, the report shows the agency's progress as well as its strengths and weaknesses.

Section II – Organizational Profile

1. Main products and services and the primary methods by which these are delivered

- Assisting in boosting agricultural commerce through interviews and appearances, printed materials, print and electronic media, trade shows, etc.
- Notices of recalls are provided through print and electronic media
- Tests on feeds, seeds, cosmetics, petroleum products to ensure a fair marketplace
- Inspections to ensure accuracy of weight and other measuring devices
- Permits for salvage food operations
- Inspections to ensure food is prepared and processed under sanitary conditions
- Inspections and grading of agricultural products for domestic and international markets
- Agribusiness expansion and development services
- Assistance to small farmers, roadside marketers, community-based farmers markets, and other direct marketers
- Assistance to consumers who are looking for SC products through a comprehensive marketing and branding campaign
- Provides quality grade standards and market news to allied industries
- Publishes the *Market Bulletin* as a tool for marketing agricultural items to farmers and non-farmers

2. Key customers

- Consumers – everyone who consumes or uses agricultural products
- Producers – everyone who grows or produces agricultural commodities
- Processors/Manufacturers – anyone who prepares, treats, or converts raw agricultural products
- Wholesalers, Retailers, and Direct Marketers – everyone who sells raw agricultural products or value-added agricultural products
- Local, state, and federal government officials and representatives
- Agriculture Commission of SC members
- Commodity Boards and Associations members
- Representatives of existing, expanding, and developing agribusinesses
- Electronic and print media representatives
- Supermarket representatives
- Petroleum retailers and distributors

3. Key stakeholders

(Everyone who has an interest in the industry of agriculture)

- Consumers (men, women, and children) are the ultimate stakeholders
- Taxpayers
- General Assembly

3. Key stakeholders (continued)

- Others who have an interest in the industry of agriculture
 - Farm owners and operators of livestock and crops
 - Nursery men and women, greenhouse growers, and floriculture
 - Fertilizer, agrichemical and seed dealers
 - Farm equipment dealers
 - Forest landowners
 - Grain dealers
 - Produce shippers and handlers
 - Specialty producers and processors
 - Dairy producers, processors, shippers, and handlers
 - Agricultural educators, students, and researchers
 - Public and private agricultural partners
 - Land grant university and 1890 program representatives
 - Farm workers and migrant labor

4. Key suppliers

- Vendors who are eligible to bid on state contracts
- Small suppliers
- Information Technology vendors
- Federal government grantor
- Printing companies

5. Operation Locations

The SCDA headquarters is located in the State Capitol Complex, Wade Hampton Building, 5th Floor. However, the SCDA operates three state farmers markets in Columbia, Florence, and Greenville and the Laboratory and Consumer Protection facility and a Metrology Laboratory in Columbia. In addition the SCDA employs graders, inspectors, and market news specialists throughout the state in cooperative programs with the federal government.

The Laboratory and Consumer Protection facility along with the Metrology Laboratory are scheduled to be moved to the new State Farmers Market at Columbia location.

Facility/Location

SCDA Headquarters, *State Capitol Complex, Wade Hampton Building, 5th Floor*

Metrology Laboratory, *237 Catawba Street, Columbia*

Consumer Services Laboratory, *1101 Williams Street, Columbia*

Columbia State Farmers Market, *1001 Bluff Road, Columbia*

Greenville State Farmers Market, *1354 Rutherford Road, Greenville*

Pee Dee State Farmers Market, *2513 Lucas Street, Florence*

6. Number of Employees

At the end of FY 06-07, the SCDA had 131 classified employees and 1 unclassified employee.

Agency Vacancy Rate – 12.5%

7. Regulatory Environment under which Organization Operates

The South Carolina Department of Agriculture facilities operate under OSHA, EPA, FDA, USDA and other federal and state regulatory mandates. On the other hand, the agency serves as a support arm for FDA and USDA functions through cooperative agreements.

8. Key Strategic Challenges

Operational Challenges

The current operational challenges include the relocation of Laboratory and Consumers Services from its current site on Williams Street. In addition, the relocation of the State Farmers Market is an additional challenge. Future challenges include the expansion of the Pee Dee State Farmers Market.

Human Resources Challenges

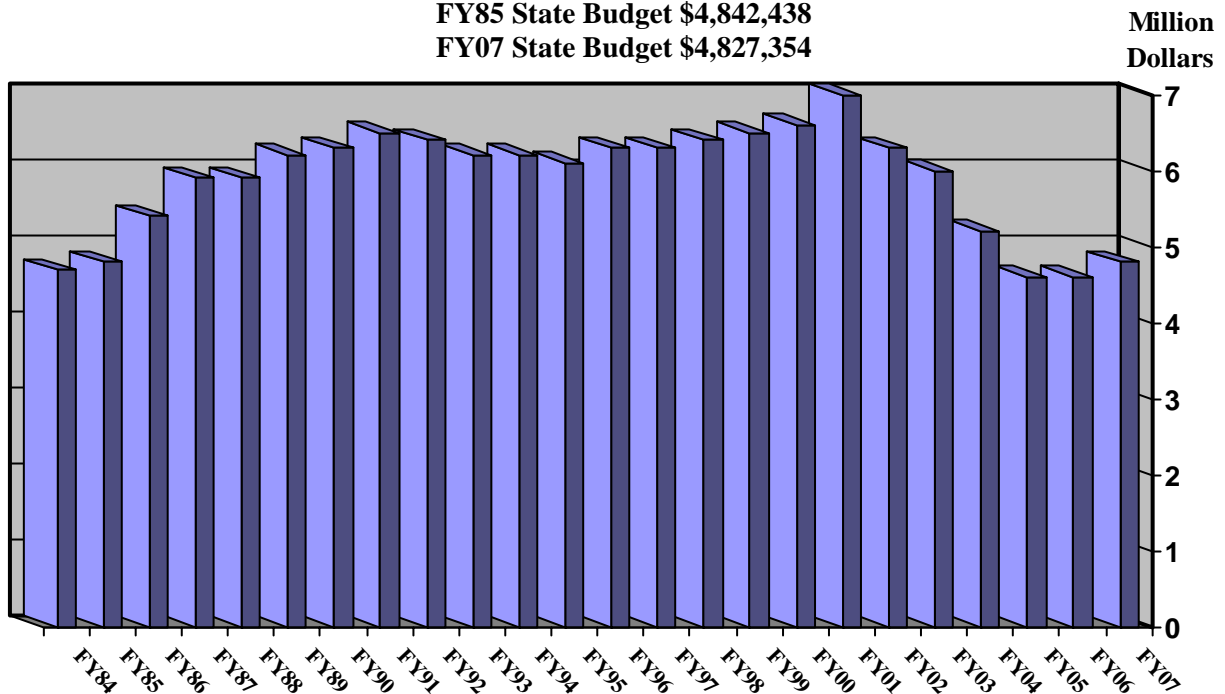
In the past few years, the agency has been hit hard with staff reductions from retirements and natural attrition. At the same time, replacements have been hired. Those who are new and inexperienced are encouraged to learn from those with years of experience. In addition, new employees are encouraged to bring their innovative ideas to the table. Additional part time employees are hired to work at the buying stations during peanut harvest and at the state farmers markets during the peak produce season.

Financial Challenges

The Department of Agriculture is currently operating at funding levels dating back 23 years.

Budget History FY84 – FY07

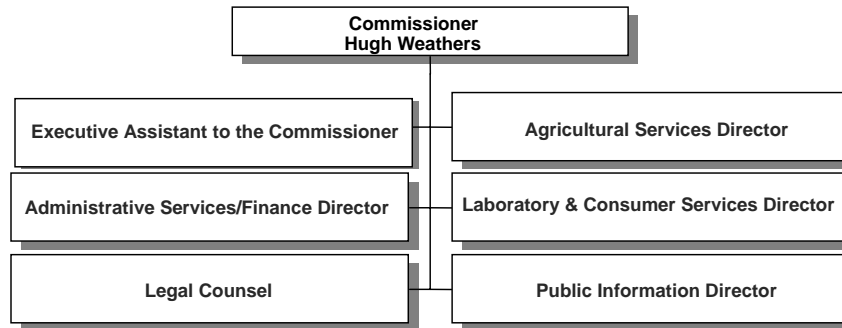
FY84 State Budget \$4,794,812
FY85 State Budget \$4,842,438
FY07 State Budget \$4,827,354



9. Performance Improvement System(s)

Creating workforce accountability is largely dependant on all employees knowing and doing what is expected from them. The Commissioner is implementing a performance improvement system to help ensure that all employees are in the right positions with the right skills and tools for optimum performance.

10. Organizational Structure (Current)



11. Expenditures and Appropriations

	FY 05-06 Actual Expenditures		FY 06-07 Actual Expenditures		05-06 Appropriations Act	
Major Budget Categories	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Services	\$ 5,170,357	\$ 2,832,655	\$ 5,369,261	\$ 2,679,334	\$5,525,007	\$ 2,647,007
Other Operating	\$ 4,537,329	\$ 1,625,533	\$ 4,667,673	\$ 1,372,275	\$6,286,609	\$ 2,822,138
Special Items			\$ 800,000	\$ 800,000		
Permanent Improvements	\$ 296,270		\$ 3,515,531			
Case Services						
Distributions to Subdivisions						
Fringe Benefits	\$ 1,520,378	\$ 845,039	\$ 1,550,721	\$ 775,640	\$1,750,079	\$ 907,997
Non-recurring						
Total	\$11,524,334	\$5,303,227	\$15,903,186	\$5,627,249	\$13,561,695	\$6,377,142

Sources of Funds	04-05 Actual Expenditures	05-06 Actual Expenditures
Supplemental Bills	\$	\$
Capital Reserve Funds	\$	\$
Bonds	\$	\$

12. Major Program Areas

Program Number and Title	Major Program Area Purpose (Brief)	FY 05-06 Budget Expenditures	FY 06-07 Budget Expenditures	Key Cross References for Financial Results*
I Administrative Services	Provides executive leadership, support, policy development and review, financial services, information technology, facilities management, and other administrative services	State: 1,095,828.27 Federal: .00 Other: 4,511.36 Total: 1,100,339.63 10%	State: 1,100,138.22 Federal: .00 Other: 90.60 Total: 1,100,228.82 % of Total Budget: 6.9%	
II Laboratory	Protects consumers from unsafe, ineffective, or fraudulent goods that may be offered for public sale; assures that goods meet acceptable standards of quality; monitors labeling; registers animal and pet foods, frozen desserts, gasoline, and antifreeze; issues licenses for butterfat testers and milk samplers and weighmen; grants permits to salvage food operations; issues two to three thousand licenses, permits and registrations; provides assistance regarding food safety and security in the event of a natural disaster or an accidental or international emergency related to Homeland Security.	State: 1,153,800.29 Federal: 6,523.32 Other: 87,964.29 Total: 1,248,287.90 10%	State: 1,346,012.65 Federal: 211.85 Other: 129,446.49 Total: 1,475,670.99 % of Total Budget: 9.3%	
III Consumer Services	Draws samples for analysis in the SCDA's laboratories; protects the people of the state, farmers and non-farmers, from fraud by ensuring the accuracy of weights and measures; provides grading and inspecting of poultry products; inspects food and cosmetic manufacturing and storage facilities; assures farmers that they receive full and prompt payment for the products they produce and that their stored cotton and grain crops are protected in warehouse facilities; inspects gas pumps, grocery store scales, vehicle tank meters, and liquid petroleum gas measuring devices; collects official samples of petroleum, produce, meat and feeds for laboratory analysis; licenses, bonds and audits warehouses and dealers; inspects storage facilities for sanitation compliance.	State: 1,056,815.73 Federal: .00 Other: 621,462.72 Total: 1,678,278.45 % of Total Budget: 15%	State: 388,641.54 Federal: .00 Other: 1,119,123.46 Total: 1,507,765.00 % of Total Budget: 9.5%	

12. Major Program Areas (Continued)

IV Agricultural Services	Develops and implements broad-based marketing programs; provides programs and services designed to increase consumer awareness and product demand for quality South Carolina agricultural commodities; strives to improve the economic vitality of business and individuals in the industry of agriculture; encourages expansion and development of existing industries that use South Carolina agricultural commodities, both fresh and processed, to increase the marketability of locally-grown products; provides quality grade standards and up-to-date first-hand market news to the allied industry through a cooperative agreement with the USDA; oversees and operates the three state farmers markets; domestic and international marketing assistance; certifies roadside markets; promotes specialty crops and specialty products; assists small farmer and provides support for organically grown certification; promotes the green industry (nursery, greenhouse, landscape, etc.); authorizes individual farmers and farmers' markets to be able to accept coupons from those who are nutritionally at risk to buy fresh, unprepared produce issued in the WIC and Seniors Farmers Market Nutrition Programs; serves as a liaison to commodity boards, associations, and the state's Ag Commission; publishes the Market Bulletin which is designed as a vehicle for farmers and non-farmers to buy and sell agricultural and agricultural-related items, as a resource for economic stability especially in rural areas.	State: 1,151,743.76 Federal: 18,671.08 Other: 4,510,366.11 Total: 5,680,780.95 % of Total Budget: 49%	State: 1,216,816.46 Federal: 67,957.49 Other: 4,668,495.96 Total: 5,953,269.91 % of Total Budget: 37.4%	
V	Employer Contributions	State: 845,250.95 Federal: .00 Other: 675,338.68 Total: 1,520,589.63 % of Total Budget: 13%	State: 775,640.22 Federal: .00 Other: 775,081.05 Total: 1,550,721.27 % of Total Budget: 9.8%	

Below: List any programs not included above and show the remainder of expenditures by source of funds.

N/A

Remainder of Expenditures: Supplemental Appropriations Permanent Improvements	State: Federal: Other: 296,269.64 Total: 296,269.64 % of Total Budget: 3%	State: 800,000.00 Federal: Other: 3,515,530.73 Total: 4,315,530.73 % of Total Budget: 27.1%
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* Key Cross-References are a link to the Category 7 - Business results.

These References provide a Page number that is included in the 7th section of this document.

Section III –Malcolm Baldrige Performance Excellence Standards

Category I – Leadership

1. How do senior leaders set, deploy and ensure two-way communication for: a) short and long term direction; b) performance expectations; c) organizational values; d) empowerment and innovation; e) organizational and employee learning; and, f) ethical behavior.

Under the direction of the Commissioner of Agriculture, the agency and its leadership team continue to focus on the mission. This focus has instilled a sense of pride in staff and those served by the South Carolina Department of Agriculture. Senior staff meetings are held to assess progress and resolve short term issues. Also, regular and frequent communication between senior leaders serves as an important part of leadership in the Department. Division Directors meet regularly with staff to keep employees apprised of agency issues. Long-term, under the leadership of the Commissioner, current and prospective programs, new initiatives, and new and innovative ideas for future direction will continue to be examined and action taken accordingly.

While managers are focusing more on performance, they are also spending more time getting each employee aimed properly so the employee understands what he or she is to accomplish – his or her goals and objectives. Managers are encouraged to set clear performance expectations, goals, and objectives for employees.

The Commissioner and his leadership team value partnerships with customers and stakeholders, fostering a free exchange of ideas that are used in evaluating the agency's programs and services. Employees are committed to enhancing the lives of our taxpaying citizens, providing them a good return on their investment.

SCDA employees are empowered to make decisions that affect their own work. Improvement requires creativity, challenging themselves, and learning from their mistakes.

Professional development is offered whenever feasible. Managers and supervisors are active in professional organizations that foster their continued growth in knowledge and expertise in their fields of specialty. Employees, especially lab scientists, chemists and technicians, are encouraged and supported in outside professional activities that contribute to their growth and professional competence. Employees are also encouraged to present a professional attitude at all times with a commitment to the agency and the public it serves.

Ethical leadership starts at the top. If the leaders at the top are not right, those at the bottom are never going to be right either. The Department's leaders walk the talk. Their training and mentoring serves to enhance an overall ethical climate. Department employees have a shared vision for the state's economy to grow and prosper providing everyone, producers and consumers, opportunities to enjoy the fruits of agriculture.

2. How do senior leaders establish and promote a focus on customers and other stakeholders?
Every South Carolinian is a customer and stakeholder of agriculture, including SCDA employees. In reality, they are their own customers. They are constantly in touch with the public, assisting with agribusiness development and expansion, product testing and analysis, and providing reasonable assurances for the consumer.

3. How do senior leaders maintain fiscal, legal, and regulatory accountability?

Department staff is committed to the concept of fiscal responsibility. Many problems cannot be solved by money alone. Leadership is providing fresh approaches and creativity in addressing issues in a cost-effective way. Particularly in the realm of regulatory responsibility, staff is instructed to treat customers fairly and with understanding.

4. What key performance measures are regularly reviewed by your senior leaders?

- Tests on feeds, seeds, foods, cosmetic and petroleum products to assure product protection
- Partnerships with stakeholders to promote agriculture in South Carolina
- Buying and selling of the state's agricultural commodities both fresh and processed
- Food sanitation inspections at locations under SCDA regulatory authority
- Growth and development of the State Farmers Markets
- Efficiency and effectiveness provided by new technology

5. How do senior leaders use organizational performance review findings and employee feedback to improve their own leadership effectiveness and the effectiveness of management throughout the organization?

At the request of the Commissioner, the SC Office of Human Resources continues to evaluate the overall performance of the agency employees from the top to the bottom, individually and collectively. These findings have helped improve leadership effectiveness and the effectiveness of management throughout the agency.

6. How does the organization address the current and potential impact on the public of its products, programs, services, facilities and operations, including associated risks?

The agency receives excellent feedback on programs and services from the agriculture community, commodity boards and associations, and consumers. Testing and inspection error rates provide vital information concerning safety and risk to consumers. In addition, the Department is working with public and private research groups to obtain information relative to the effectiveness of programs and services.

7. How does senior leadership set and communicate key organizational priorities for improvement?

Key organizational goals and priorities are established through consistent communication between senior leadership and staff. Initially, the Commissioner employed a confidential survey of staff to review the organizational climate and future human resources needs of the agency. The consensus of problems and issues as well as opinions, ideas and thoughts for improvement within the Department are continuing to guide him in making important decisions. He has also enlisted the assistance of the State Human Resources Division and others to provide guidance for future improvement in the structure of the agency.

8. How does senior leadership actively support and strengthen the community? Include how you identify and determine areas of emphasis.

The agency actively supports and strengthens communities through employee involvement in civic clubs and various other community-oriented groups or committees. Staff is encouraged to be involved in programs that will provide awareness of SC agriculture and of the SCDA's programs and services. Staff worked collaboratively on various projects in FY07 to assist the community.

III. Category 2 – Strategic Planning

The agency continues to evaluate its strategic planning process. This process involves the assessment of customer needs and the design of agency programs and services. Built into the plan is an on-going evaluation of performance against established benchmarks and standards. Through clearly communicating the agency's mission, goals and objectives to employees, other state agencies, partnering organizations and customers, the strategic plan will continue to promote improvements within the agency and its programs. Success is measured and goals are established based on the expectations of customers and stakeholders.

Modest financial support for food and feed protection initiatives has been achieved by way of federal grants. USDA/FSIS supported a retail meat and poultry food safety training grant administered jointly by the SCDA and Clemson University. The SCDA also has a contract with the FDA for inspecting four mills producing medicated feeds and for monitoring for BSE at 40 other sites in the state's distribution chain. The SCDA received \$4,678 in FY07 for that FDA contract. The SCDA continues to receive compensation for providing cooperative and contractual assistance to federal agencies.

The Administration Division's Finance Section follows a procedure manual and encourages all department employees to follow those procedures to obtain goods and services in a timely manner. The Finance Section requires at least five working days to complete all transactions.

Key objectives include:

- Effectively managing agency operations and workforce
- Protecting producers and consumers
- Promoting agriculture and agribusiness
- Providing public awareness, promotion, and publicity of South Carolina agricultural products

Key strategic objectives have been identified that will reflect the overall performance of the agency. However, these key strategies continue to be reviewed and revised by the Commissioner and his staff to ensure that the agency remains on the desired course. In addition, leadership reviews and evaluates staff performance to ensure that all employees are focused on the same goals and objectives.

Strategic planning has been informal, for the most part, and directed primarily at devising ways to accommodate a varied customer base while carrying out specific mandates. Strategic alliances with other state government agencies have been cultivated in recent years to leverage limited resources. These alliances have proven valuable in furthering the Department's agenda.

The SCDA Strategic Plan is not currently posted on the agency web site.

Strategic Planning Chart

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY 06-07 Key Agency Action Plan/Initiatives	Key Cross References Performance Measures
I Administrative Services	Effectively managing agency operations and workforce.	<p>Effectively manage financial resources to ensure fiscal well being.</p> <p>Create a work environment that promotes performance and employee satisfaction.</p> <p>Evaluate programs and services to ensure customer needs are met.</p> <p>Evaluate employee performance and provide materials and technological needs to be successful.</p> <p>Use available technology and aggressively seek new technology to improve office operations.</p> <p>Provide progressive leadership with a clear focus that actively guides the agency.</p> <p>Provide recognition to those employees for their effort.</p> <p>Develop a well trained and diverse workforce.</p> <p>Encourage staff to contribute ideas to means and methods of improving the workplace and the operation of the agency.</p>	Pages 19-22
II Laboratory Services III Consumer Services	Protecting producers and consumers	<p>Enforce all applicable laws regarding proper warehouse receipting, storage and payment for agricultural commodities.</p> <p>Ensure the accuracy of weights and other measurements.</p> <p>Work with public and private organizations to solve problems and issues related to agri-safety and agri-security.</p> <p>Perform food sanitation inspections at all locations under SCDA regulatory authority.</p> <p>Perform tests on feeds, seeds, foods, cosmetics, and petroleum products to assure acceptable quality.</p> <p>Grant permits to salvage food operations.</p> <p>Inspect and grade appropriate agricultural products for domestic and international markets.</p>	Pages 22-28
IV Agricultural Services	<p>Promoting agriculture and agribusiness</p> <p>Providing public awareness, promotion, and publicity of South Carolina agriculture</p>	<p>Encourage the expansion and development of new and existing businesses which use traditional and non-traditional agricultural products or which service and supply agriculture.</p> <p>Search for new products and look for new value-added ways to use the state's products.</p> <p>Provide assistance to small farmers and support the growth and development of local community-based farmers markets to encourage those nutritionally at-risk to buy locally grown products.</p> <p>Manage three regional State Farmers Markets in Columbia, Greenville, and Florence efficiently and effectively.</p> <p>Market local farm products to consumers and assist farmers through the Certified Roadside Market Program.</p> <p>Capitalize on the pride and the vision of our state through a comprehensive marketing and branding program designed to boost agricultural commerce in South Carolina.</p>	Pages 28-36

IV Agricultural Services <i>(Continued)</i>	Support expansion and development of local, regional, national, and international markets for South Carolina agricultural products. Encourage buying and selling of the state's agriculture products both fresh and processed through a promotional campaign that includes publicity items, exhibits, and events designed to increase public awareness of agriculture in South Carolina. Develop partnerships with stakeholders to promote agriculture in South Carolina. Provide consumers with information on selection, preparation, and nutrition of South Carolina agricultural products through electronic and print media. Provide an agency publication that allows farmers and non-farmers to buy or sell farm-related items and that features timely information regarding agricultural issues and events. Collect and disseminate market news information to all segments of the produce and livestock industries and to consumers through various print and electronic means. Ensure markets and marketability of SC products through a cooperative comprehensive grading and inspection program.	
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III. Category 3 – Customer and Market Focus

1. *How do you determine who your customers are and what their key requirements are?*

Our customers are producers and consumers, virtually everyone in the state. Producers need immediate access to markets and marketing information, and consumers need access to information about buying and using agricultural products. The more accessible the information, the more satisfied our customers are.

2. *How do you keep your listening and learning methods current with changing customer/business needs?*

The SCDA looks for guidance from all customers and stakeholders in order to meet their changing personal and business needs. Customers often communicate with staff in meetings or at events, but they also write, call, or send electronic messages. The SCDA has several web sites which provide current news about agriculture, agricultural events, and notices about issues in the industry that pertain to the public's health and welfare. The plan for the future is to update and consolidate the web sites for better accessibility to everyone. In addition, the SCDA provides a publication twice a month which provides valuable information to the public.

3. *How do you use information from customers/stakeholders to keep services or programs relevant and provide for continuous improvement?*

The SCDA uses information from customers and stakeholders to keep services or programs relevant and provide for continuous improvement by surveying customers and evaluating their feedback.

4. *How do you measure customer/stakeholder satisfaction?*

The SCDA continues to train employees on how to deal effectively with customers. Any customer complaint receives individual attention and follow-up.

5. How do you build positive relationships with customers and stakeholders? Indicate any key distinctions between different customer groups.

Positive relationships are built with customers through their programs of interest. Statistical analyses through trade show and agency event participation, Certified Roadside Markets, and other general marketing program activities help evaluate success. The SCDA maintains open lines of communication as a means of building positive relationships with customers and stakeholders.

III. Category 4 – Measurement, Analysis, and Knowledge Management

1. How do you decide which operations, processes and systems to measure for tracking financial and operational performance, including progress relative to strategic objectives and action plans?

Factors affecting marketing of SC agricultural products make it difficult to measure. Effectiveness of that program area is measured by an analysis of communications with the public and media and the quality as well as the quantity of information provided. Public perception of the Department's role is important to the overall effectiveness of the agency.

2. How do you use data/information analysis to provide effective support for decision making throughout your organization?

Information is gathered from internal communication with employees and external communication with customers and key stakeholders to analyze the effectiveness of the agency's programs and services. Armed with that information, the best possible decisions are made for the organization's future.

3. What are your key measures?

The agency benchmarks with other state and federal agencies whenever possible. Many programs are subject to audit to ensure financial effectiveness and procedure compliance. In addition, performance of the agency programs and services is measured through public and private research assistance.

4. How do you select and use comparative data and information?

Comparative data is selected based on benchmarks relevant to the agency's mission. Participation in national organizations such as the National Association of State Department's of Agriculture, Southern Association of State Departments of Agriculture, Southern United States Trade Association also provides information for comparison purposes.

5. How do you ensure data integrity, timeliness, accuracy, security and availability for decision making?

Data analysis is used in a number of ways to support effective decision making and assess performance. The integrity and accuracy of information and the responsiveness of staff provide a basis for decision making.

6. How do you translate organizational performance review findings into priorities for continuous improvement?

Senior leaders review and compare organizational performance findings with current needs, stakeholder demands and industry practices to better prioritize action plans for continued improvement.

7. How do you collect, transfer, and maintain organizational and employee knowledge (your knowledge assets)? How do you identify and share best practices?

Staff continues to listen and learn from our customers, monitors their perceptions gathered at the front line, and builds positive relationships with the entire customer base. The agency focuses on a broad base of customers through a variety of print and electronic means. Through the agency web site and through the media and personal contacts, the public is provided accurate up-to-date verbal and written information.

III. Category 5 – Workforce Focus

1. How do you organize and manage work: to enable employees to develop and utilize their full potential, aligned with the organization's objectives, strategies, and action plans; and to promote cooperation, initiative, empowerment, innovation and your desired organizational culture?

Despite budget limitations, the Commissioner has placed great emphasis on motivating employees and increasing morale. Programs have been reviewed and reorganization has been initiated to maximize employees' full potential. This is an ongoing evaluation to reach the agency's goals and objectives.

2. How do you evaluate and improve your organization's human resource related processes?

Leadership in any organization requires an understanding of its strengths and weaknesses. As a service provider to agriculture and the general public of South Carolina, one strength of the SCDA is a dedicated and experienced staff. In recent years, the agency has experienced a significant turnover because of heavy participation in the state's retirement program. This has provided an opportunity to blend experience with the enthusiasm brought to the SCDA by new, younger staff members. An on-going strategic planning process will capitalize on this significant point in time for the agency.

3. How do you identify and address key developmental and training needs, including job skills training, performance excellence training, diversity training, management/leadership development, new employee orientation and safety training, management/leadership development, new employee orientation and safety training? How do you evaluate the effectiveness of this education and training and how do you encourage on the job use of the new knowledge and skills?

Staff is encouraged to participate in training for professional development which improves the work effort and the work environment. This past fiscal year, staff participated in daylong courses in presentation and media training as well as other seminars and workshops.

4. How does employee training contribute to the achievement of your action plans?

Staff at the SCDA is multifunctional. Many employees are cross-trained to perform each other's job duties. In addition, when budget allows, employees are encouraged to attend meetings and training seminars for professional development.

5. How does your employee performance management system, including feedback to and from employees, support high performance and contribute to the achievement of your action plans?

Performance evaluations and staff meetings provide opportunities to discuss employee needs and help determine employee well-being and satisfaction.

6. How do you motivate your employees to develop and utilize their full potential?

Employees are encouraged to participate in department and community activities. They participate in a number of fund-raising activities such as United Way, the Red Cross, Harvest Hope, etc. Some employees are Sunday School teachers and church leaders. Others are youth league sports coaches, counselors, board members of associations, and volunteers for many other organizations. In FY07, for the second year in a row, employees (Chicks with Agri-tude) participated in the First Ladies Walk for Life. Proceeds generated from the Walk support breast cancer research and prevention effort. A daylong Red Cross blood drive sponsored by the agency in honor of a longtime employee's family member was held in August. The blood drive generated 40 pints of blood, which was enough to potentially save 120 lives.

7. What formal and/or informal assessment methods and measures do you use to determine employee well being, satisfaction, and motivation?

Employee well-being and satisfaction is informally measured through day-to-day conversation and departmental meetings. Employee motivation is more formally assessed through the division's employee planning and evaluation process. Exit interviews with terminating employees are conducted and the data is analyzed. Priorities for improvement are identified and implemented accordingly.

8. How do you maintain a safe, secure, and healthy work environment? Include your workplace preparedness for emergencies and disasters.)

The SCDA has technical specific job requirements. For instance, the Laboratory Division is staffed predominately with trained scientists and technicians. It is important to a safe and healthy work environment that technical staff has appropriate credentials and that provisions are made for them to maintain their skills, knowledge and proficiency through continuing education, external workshops, seminars, specialized short courses and the like. This is essential in order for the work performed to stand up to scrutiny in any legal proceedings stemming from enforcement actions. An emergency plan has been developed and the development of an overall crisis communications plan is in process.

III. Category 6 – Process Management

1. How do you determine, and what are your key processes that produce, create or add value for your customers and your organization, and how do they contribute to success?

As policies and procedures are developed, standardization and communication have become of utmost importance. Technology has also become an integral part in meeting the agency's mission.

2. How do you incorporate organizational knowledge, new technology, changing customer and mission-related requirements, cost controls, and other efficiency and effectiveness factors into process design and delivery?

The agency works collectively and collaboratively with producers and processors to help ensure consumers receive the best possible products. While regulatory requirements are designed to help protect the consumer, the agency works closely with agribusinesses and other government agencies not only to enhance partnerships but also to maximize the quality of South Carolina products.

3. How does your day-to-day operation of these processes ensure meeting key performance requirements?

Communication is essential to stay abreast of new developments and to ensure information needs are met.

4. How do you systematically evaluate and improve your key product and service related processes?

Employees are empowered with the necessary tools to perform their jobs and with learning and growth opportunities. Technology and the information systems with which many job functions are intertwined are reviewed and updated regularly. By continuously evaluating our human and technological resource needs and adapting our processes accordingly, these processes and the services they support are constantly improved.

5. What are your key support processes, and how do you improve and update these processes to achieve better performance?

Key support processes include Administration, Information Technology, Human Resources, Procurement, Finance, Budget, Legal and Governmental Affairs, and Public Information. With a shrinking workforce, technology is a critical component in improving agency performance.

How does your organization determine the resources needed to meet current and projected budget and financial obligations?

Long and short-term goals are based on observations and analyses by leadership who have years of experience.

III. Category 7 – Results

The SCDA is comprised of **Administrative/Support Services** and three key program areas – **Agricultural Services, Laboratory Services, and Consumer Services**. The performance level of customer satisfaction in each area is measured differently.

Administrative and Other Support Services Business Results

The office of **Administration** provides executive leadership, policy development and review, financial services, information technology, facilities management, and other support services.

Information Technology is an area of Support Service designed to keep the computer resources of the SCDA in line with the technology of other state agencies and private industry in order to provide an efficient work environment. The current computer network includes an 84 user LAN and an AS/400. IT services are also provided to approximately 20 stand-alone personal computer users. Users are located at six sites across the state. The service provided include the writing and maintaining of custom software for in-house use, the purchase of pre-packaged software, purchase of hardware, user training, and maintenance in the form of in-house repairs and maintenance agreements.

Performance Measures

Workload Indicators:

New projects addressed during fiscal year 2007 include:

Implementation of the following Kelly Registration Systems software and on-line renewals:

- Commodity Boards
- Frozen Dessert Licenses
- Market Bulletin Renewal Notices
- Farmers Market Football Parking
- Salvager Permits
- Seed Licenses

Final preparation for the following Kelly Registration Systems software:

- Pump and Scale Repairmen Licenses
- Feed Registration
- Dealers & Handlers Licenses
- Milk & Bulk Hauler Permits
- Weighmaster Licenses
- Petroleum Registration
- Antifreeze Registration
- Laboratory Information Management System (developed by Accelerated Technology Laboratories)

In the development phase for the following software:

- Accounting (South Carolina Enterprise Information System)
- Farmer's Market Vendor Rentals
- Warehouse Inventory

Replacement of 23 desktop computers, replacement of 6 laptops, purchase of 8 printers, 1 sealer for the pressure seal forms used in mailing from the newly developed programs from Kelly Registration Solutions, conversion of CIO server from Novell to Microsoft, conversion of CIO email server from Novell Groupwise to Microsoft Outlook (Exchange)

Software and hardware support were maintained for the following during FY07:

- 900 COBOL programs involving 370,000 lines of code
- 84 Users supported for LAN and AS/400 environment
- 20 Users supported on stand-alone PCs
- 120 Users supported for email and Internet access
- 120 Users supported for hardware and software maintenance
- 1 LINUX/SQL server monitored – including maintenance and backup
- 4 100 Mhz 24 port Ethernet hubs maintained
- 4 10 base-T 12 port Ethernet hubs maintained
- 2 10 base-T 5 port Ethernet hubs maintained
- 1 10 base-T 8 port Ethernet hub maintained
- 23 personal computers purchased and installed for users
- 6 laptops purchased and installed for users
- 15 personal computers refurbished for users
- 33 network printers maintained
- 18 stand alone printers maintained
- 8 print server boxes maintained
- 13 on-line user accounts to FDS maintained
- 7 on-line users accounts to CG maintained
- 3 on-line user accounts to Dept. of Insurance maintained
- 3 on-line users accounts to HR maintained

Efficiency Measures:

- 100% Real time access to Internet services for 84 users
- 100% Access for network office services for 84 users
- 100% Access for email services for 84 users
- Access for AS/400 computer applications

Effectiveness Measures:

- 100% Real time access to Internet services for 84 users
- 100% Access for network office services for 84 users
- 100% Access for email services for 84 users
- 100% Access for AS/400 computer applications

Finance Services of the Administrative Division is required to promptly process all receipts of revenue and expenditures of the Department and maintain accountable records of these transactions consistent with state laws, regulations, and objectives of the Department and generally accepted accounting principles.

Finance Services has the sole responsibility for issuance of purchase orders to obtain goods and services for the Department. In addition, the support group focuses on paying vendors in a timely and efficient manner. A procedure manual is strictly followed, and all Department employees are urged to plan ahead to obtain goods and services in a timely manner. Finance Services requires at least five working days to complete all transactions. The staff focuses on getting payments to vendors in a timely manner and on depositing incoming checks in a reasonable time frame. The employees of Finance Services have various job functions and are able to work with limited supervision.

Information and analysis and results

Workload Indicators:

- 2,901 Purchase Orders Processed
- 3,650 Vouchers Processed
- 2,371 Seed Licenses Issued
- 453 Deposits Processed

Efficiency Measures:

- Ensure fair treatment to vendors
- 100% Proper authorization
- 99% of all Seed Licenses in compliance
- 99% Deposited in a timely manner

Effectiveness Measures:

Provide quality & integrity with clearly defined procedures and standards.

- \$15,911,029.56 Total expenditures
- \$ 137,000.00 Revenue from Seed Licenses
- \$ 172,030.00 Revenue from *Market Bulletin*
- \$ 7,118,029.00 Total revenue received (less Seed license and *Market Bulletin*)

The office of **Legal Affairs** consists of an attorney who specializes in agricultural legal issues and provides general legal advice and statutory interpretations. The agency's attorney continues to review and update over thirty laws under the authority of the South Carolina Department of Agriculture. This includes analysis and comparison to other state and federal laws. The attorney also meets with groups to address possible legislative solutions to problems affecting their industries. Satisfaction with the laws currently in effect and the administration of those laws are likely measured by the number of complaints of lawsuits filed in attempts to change the regulatory regime. The attorney works with undergraduate and law school students to complete a wide variety of tasks such as monitoring legislative changes, responding to requests for information from citizens and assisting staff members in their programming efforts through the Department.

In cooperation with the office of **Governmental Affairs**, focus continues on the implementation of new legislation falling under the authority of the South Carolina Department of Agriculture. New legislation and statutory amendments are also considered for the purpose of making the operation of the agency more efficient as well as providing important laboratory analysis and consumer safety services for the general public, private entities, and other groups. In addition, the agency's attorney has been involved with the legal issues associated with the coordination and planning of the State Farmers Market at Columbia.

In the 2007 legislative session, the Regulations for the Milk Producer Tax Credit program were successfully finalized as well as updates to the Farmers Market regulations.

The Department is also in the process of updating the Weights and Measures regulations and Petroleum regulations. Final approval of those amendments is expected during the 2008 legislative session. The changes to the Petroleum regulations will be especially beneficial because of the advances in alternative fuel production and commercial availability to general consumers.

Laboratory Services Business Results

The **Laboratory Services** program area supports certain regulatory functions assigned to the Commissioner of Agriculture by state law. The Laboratory is structured to provide chemical, physical and biological analytical and testing capabilities necessary to administer and enforce laws and regulations governing the production, storage, handling and sale of food for human consumption, animal feeds, seed sold for agriculture and gardening and petroleum products sold for heating or automotive uses.

For FY 07, Division leadership consists of a Laboratory Director, Chief Seed Analyst and Assistant Lab Director, Chief Chemist and Registration Officer plus five Section Supervisors who perform bench work in addition to supervising other scientists and technicians. This cadre of leaders has scientific educational credentials in their respective fields of work as well as years of professional experience that they draw from in carrying out their technical and managerial duties.

All Division managers and supervisors are active in professional scientific organizations that foster their continued growth in knowledge and expertise in their fields of specialty. Lab scientists and supervisors and technicians are likewise encouraged and supported in outside professional activities that contribute to their growth and professional competence.

To ensure consumer protection, the Laboratory receives samples and analyzes products from the public food supply to detect adulteration, confirms conformance to standards of identity and quality and assures consumers are protected from fraudulent or unsafe food products. The efficiency of the Laboratory Division's testing and analytical effort is reflected in number of analyses tested annually.

The objectives of the Laboratory Services Division programs are:

1. To receive samples and analyze products from the public food supply to detect adulteration, confirm conformance to standards of identity and quality and assure consumers are protected from fraudulent or unsafe food products.
2. To regularly request samples of commercial animal feed and pet foods from the state's markets for analysis of nutritional and medicinal ingredients for conformance to label guarantees and standards of quality. A Feed Control Officer position was created during the year to provide a more complete regulatory function for enforcing the state's Commercial Feed Law. Feed mill inspections are now a part of our feed regulatory functions. The new capacity was supported partially by a contract with the US Food and Drug Administration for conducting inspections of medicated feed mills and BSE inspections. BSE refers to "bovine spongiform encephalopathy," a disease more commonly known as "mad cow" disease. This disease can be transmitted through feeding tissue from a diseased animal to other animals of the same species making feed regulation a barrier to spreading of the disease and the consequential threat to the entire beef industry.
3. To provide seed analysis services to consumers, certifying agencies, seed companies, seed producers, and in support of regulatory surveillance and enforcement under the state's Seed and Noxious Weed Law.
4. To regularly receive samples of gasolines, diesel fuels, kerosenes, and heating fuels from channels of commerce and test for conformance to quality standards, label representations and safety. State law requires that petroleum products offered for sale meet standards set by the American Society for Testing and Materials (ASTM).
5. To administer product registrations required by law including animal and pet foods, frozen desserts, gasolines, antifreezes, and to issue licenses and permits to certain special services and businesses. Licenses or permits are issued for frozen desserts, butterfat testers, samplers and weighers and salvagers.

Division Workload by Fiscal Year						
	01/02	02/03	03/04	04/05	05/06	06/07
Food Samples	3,536	4,143	3,129	2,915	2,535	2,783
Animal Feed Samples	1,953	1,993	1,674	1,840	1,781	2,120
Seed Samples	14,413	16,423	17,251	15,684	14,423	11,714
Petroleum Samples	2,918	2,854	2,407	2,907	2,595	3,019
Registration Transactions	3,654	2,681	2,641	2,417	7,446	3,997

Efforts to update and “clean up” feed registration files resulted in cancellation of over 22,000 product registrations. Feed, antifreeze/summer coolants registrations, salvage food operation permits, and frozen desserts licenses are now being registered, permitted, and/or licensed by electronic means.

Number of Analyses Performed by Fiscal Year							
	00/01	01/02	02/03	03/04	04/05	05/06	06/07
Food Analyses	12,623	11,029	10,383	11,866	11,010	9,635	11,775
Feed Analyses	4,405	5,804	5,445	7,142	4,254	5,467	6,005
Seed Analyses	23,695	23,199	22,824	24,882	22,144	20,796	16,710
Petroleum Analyses	9,976	19,869	16,647	15,093	19,476	16,840	19,748

The outcome of the Laboratory Division’s work can be assessed by reviewing compliance records for each of the program areas.

Violation Rates by Program over 6-Fiscal Year Period (percent)						
PROGRAM	FY 02	FY 03	FY04	FY 05	FY 06	FY 07
Food	5.2	7.7	7.36	9.2	8.9	10.6
Pesticide Residue	3.2	1.2	2.47	1.05	1.3	1.6
Feed	10.8	15.3	19.50	12.1	13.8	8.5
Petroleum	2.5	1.9	3.15	6.3	4.4	4.8
Seed	4.5	6.0	6.3	4.6	3.3	4.29

The food program continues to show a compliance rate in the 6-8% range with excess fat in ground meats as the most frequent type of violation.

Pesticide residue violations are mostly technical in nature and do not represent a significant food safety threat. It is rare that these technical violations necessitate any enforcement action. The pattern of pesticide residue violations observed in our laboratory mirrors the pattern of violations found nationwide in USDA’s “Pesticide Data Program”.

The Department's Laboratory tests showed a decrease in pesticides found on our state's produce and almost none (less than 2%) were over the tolerance levels. These pesticide residue tests on fruits and vegetables are performed in compliance with the state and federal food safety laws. Eight hundred and twenty-three (823) official and submitted samples were screened for chemical residues in FY07.

The official samples were randomly drawn from supermarkets and farmers markets throughout the state as part of a "Market Basket Survey" to comply with the state's Food Safety Laws. The Department Laboratory tests showed that our growers are doing a good job.

Testing is performed at no charge to South Carolina residents. The lab also tests soil and plant tissue submitted by Clemson Extension agents who request herbicide and pesticide screens.

A total of 2,526 analyses were performed on the 823 samples of produce, feed, soil, and miscellaneous animal and plant material. That is 555 more analyses performed on 166 more samples from the previous fiscal year.

The SCDA Laboratory, currently located at 1101 Williams Street in Columbia, is scheduled to be moved to the new State Farmers Market at Columbia facility when it is completed. Strategically located, the Pesticide Residue Laboratory will have better access to a large portion of the state's fresh produce at the market.

Two hundred and sixty-six compounds (266) were found in the fruits and vegetables sampled. The percentage of 32.32% was essentially the same as in 05-06.

Animal feed violations continue to occur in the range of 15 to 25% as they have over many years. This rate is typical for feed products both in the SCDA's experience and that of other states.

Seed Lab violations observed remain under 6% again reflecting improved quality assurance by seed merchants compared to past years.

At 4.8%, petroleum violations continue to reflect the rates observed nationally where petroleum laws are in force. Based on these violation rates, South Carolina consumers can be confident that petroleum products they buy in the state meet ASTM standards and are fairly labeled.

The General Accounting Office (GAO) has performed a study that reflects violation rates as much as 30% in other states. Petroleum violations include octane, flashpoint, and sediment or other impurities. Our state's statistics show that South Carolina petroleum marketers work hard to ensure compliance with national standards.

To provide the necessary infrastructure for an early warning system that identifies potentially hazardous foods and enables health officials to assess risks and analyze trends, the Electronic Laboratory Exchange Network (eLEXNET) continues to be applied in Laboratory Services. eLEXNET is a seamless, integrated, web-based information network that allows health officials at multiple government agencies engaged in food safety activities to compare, share and coordinate laboratory analysis findings. eLEXNET is the data capture and communication system for the Food Emergency Response Network (FERN). This system will help the Laboratory to be more responsive to intentional or unintentional emergency food situations.

The strategic thrust of the Laboratory Services Division is to meet regulatory responsibilities faithfully while minimizing disruption of regulated businesses. There is a conscious effort to assist businesses in meeting their regulatory requirements where such assistance contributes to an orderly marketplace. The Seed and Noxious Weed Law is particularly noteworthy in this regard.

The Laboratory is required by law to provide a free seed testing service to farmers, gardeners and commercial seed producers and merchants. About 94% of seed testing capacity is devoted to such services while the balance is taken up by testing for official regulatory purposes.

Consumer Services Business Results

The performance level of the **Consumer Services** program is determined by the satisfaction of consumers that are well-protected. The Consumer Services Division directly enforces nine laws and assists the Laboratory Division in the enforcement of several other laws by drawing official samples of petroleum fuels, animal feeds, seeds, produce, and ground meats:

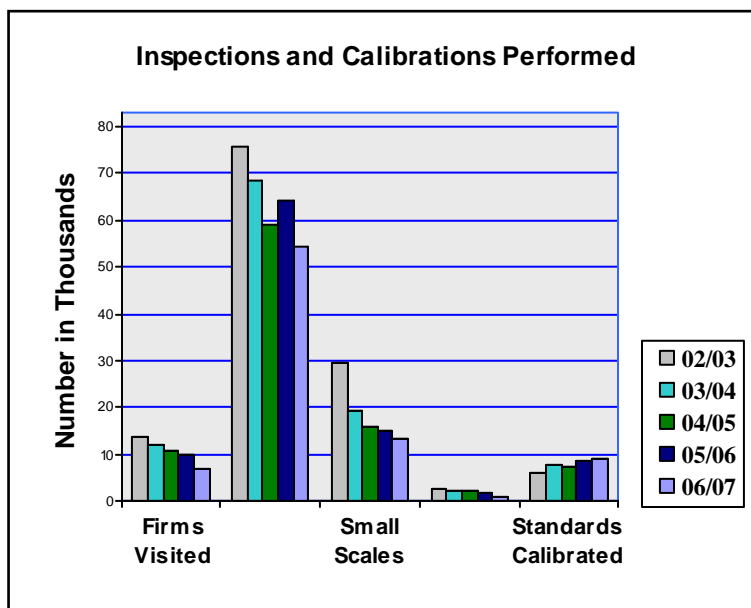
The laws enforced include:

- Weights and Measures Law – Section 39-9-10
- Gasoline, Lubricating Oils and Other Petroleum Products Law – Section 39-41-5
- Food and Cosmetic Act – Section 39-25-10
- Egg Law – Section 39-39-110
- Public Weighmaster Law – Section 39-11-10
- Dealers and Handlers of Agricultural Products – Section 46-41-10
- Grain Producers Guaranty Fund – Section 46-41-200
- Grain Dealer Guaranty Fund – Section 46-40-10
- State Warehouse System Law – Section 39-22-10

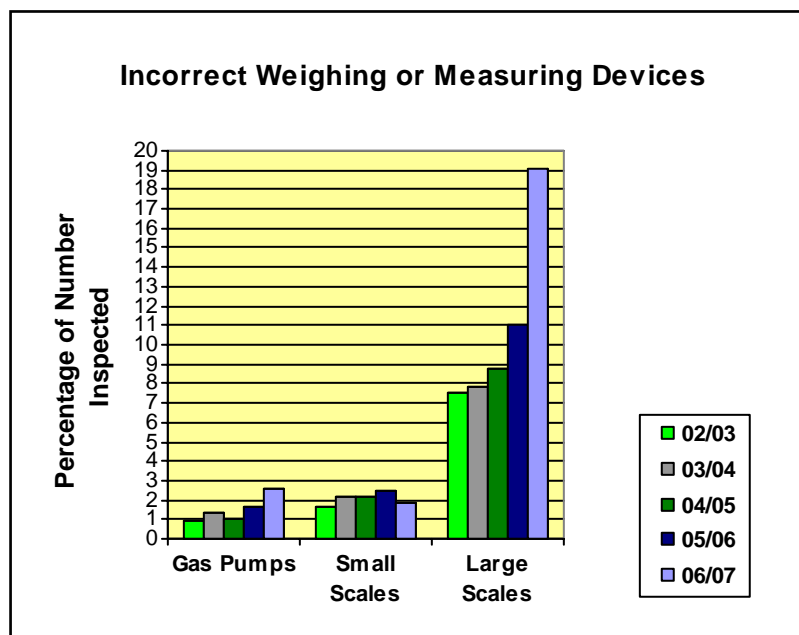
Weights and Measures

Consumer Services' inspectors check commercial weighing and measuring devices for accuracy and inspect packaged goods to ensure correct net content statements. The Division's **Metrology Lab** maintains the state standards for mass, length and volume and provides calibration services to the public and private sector with traceability to the National Institute of Standards and Technology (NIST). The following table shows the number of inspections and calibrations performed by Consumer Services during the past five fiscal years.

Unfortunately, the number of firms and devices inspected has decreased because the number of inspectors has decreased. For example, in 1996, the SCDA had 30 inspectors who checked 45,000 fuel dispensers at service stations. Today, the SCDA has 18 inspectors and over 63,000 fuel dispensers to inspect. Experience has shown that when weights and measures areas are left unregulated, compliance tends to deteriorate, creating unfair competitive situations and loss of equity in the marketplace. Under these conditions, everyone loses except the unethical business operator.



The following table shows the percentage of weighing or measuring devices found incorrect. In order to avoid these situations, the number of inspectors must continue to be increased to meet demand. The Division has implemented new computer technology that allows inspectors to collect more data that will help maximize available human resources. That data will provide quicker solutions to issues as they arise in the industry. Also, the National Institute of Standards and

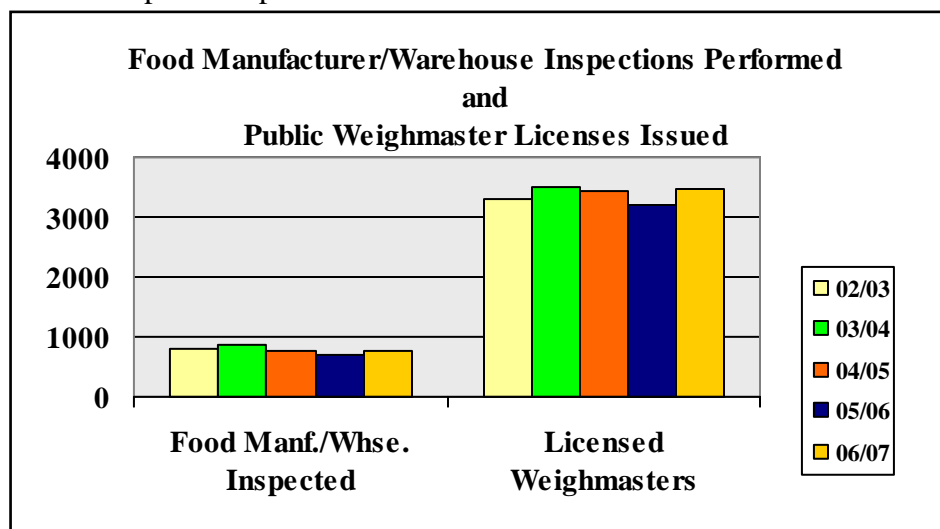


Technology (NIST) has taken on an initiative to promote uniform standards and practices from state-to-state. This new technology will help us in that effort.

Food Manufacturers and Warehouse Inspections

Food manufacturers and food warehouses are inspected to ensure that food products are manufactured and stored under safe and sanitary conditions. Persons that weigh bulk commodities and issue weight certificates must be licensed as Public Weighmasters. Unfortunately, the number of inspections performed and licenses issued has also decreased because the number of inspectors has decreased.

The table shows a comparison of the number of food manufacturers and warehouses inspected and the number of licenses issued to public weighmasters during the last five fiscal years.



Licensing, Bonding, and Auditing

Consumer Services also licenses, bonds, and audits dealers and handlers of agricultural products to ensure that the producer receives payment for his crop. Also, warehouses that store cotton or grain and issue warehouse receipts for those commodities are licensed, bonded, and audited.

Three guaranty funds are administered by the Division to provide payment to the grain producer, licensed dealer and handler of grain, or the holder of a warehouse receipt should a licensed grain dealer or a licensed warehouse go bankrupt or commit fraud. The number of audits and the number of licensed dealers and handlers and warehouses are affected yearly by mergers, consolidations, and acquisitions in industry. Three hundred and three (303) audits were performed on 144 firms licensed as dealers and handlers or warehouses last fiscal year.

Agricultural Services Business Results

The Commissioner reorganized what was previously referred to as marketing and promotion into the Agricultural Services Division. This division includes those services that the Department renders to the agricultural sector. Ag Services includes three segments: **Marketing, State Farmers Markets, and Grading and Inspections**. Each of these areas is supervised by a Director that answers to the Assistant Commissioner, Agricultural Services Division. This organization provides a clear line of responsibility and improved oversight. The Assistant Commissioner answers directly to the Commissioner.

Marketing

The South Carolina Department of Agriculture is charged with the responsibility of maintaining and developing broad based marketing programs to increase consumer awareness and product demand for quality South Carolina agricultural commodities at local, national and international levels. The South Carolina Department of Agriculture also encourages expansion and development of existing industries that utilize South Carolina agricultural commodities, both fresh and processed, thereby increasing the marketability of locally grown products.

In support of the agency's marketing program, our grading and inspection and market news service programs provide quality grade standards and up-to-date firsthand market news through a cooperative status with USDA to the allied industry.

The General Assembly budgeted significant dollars (\$600,000) to the Department for the development of a South Carolina branding and marketing effort. Market research revealed that South Carolina consumers were very much interested in locally grown and produced products. The marketing effort has developed materials for advertising and promotion. These materials and advertising efforts have been placed in the general public to help consumers understand the value of locally grown products and to help consumers find where these locally grown products can be found.

The Marketing services include:

- Domestic, National, and International Marketing & Promotion
- SC Marketing and Branding Program
- Commodity Boards Liaison
- Certified Roadside Market Program
- Ornamental Horticulture and Floriculture
- Aquaculture
- Equine

State Farmers Markets

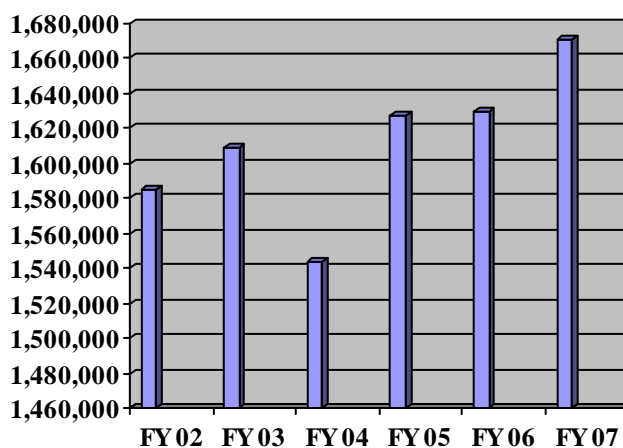
The SCDA operates three State Farmers Markets in Columbia, Greenville and Florence. The markets provide facilities for farmers to conduct direct sales of fresh produce to both consumers and major food distributors. The Markets serve as food distribution hubs. In addition, produce is shipped directly to grocery chains, restaurants, and industrial food handlers. The service area of the markets extends beyond the boundaries of the state, supplying produce throughout the eastern United States and Canada.

The **Columbia State Farmers Market** is the second largest farmers market in the Southeast in volume of produce, next only to Atlanta. The Columbia Market had approximately \$250 million in total sales last year which created an economic impact on rural areas of \$100 million. Twenty percent of all the shipments arriving on the Columbia Market were from the state's fruit and vegetable farmers. A source of fresh, locally produced fruits and vegetables, the market is also a major venue for the sale and distribution of horticultural products that draw consumers from a broad geographic area. Of the sixteen people employed at this market, four are part-time. It operates 24-hours a day for wholesale operations. The only days it is closed are Christmas Day and Thanksgiving Day. The market provides facilities for daily sales by farmers; monthly or seasonal leases to farmers, wholesalers and retailers; and long-term leases to farmers, wholesalers, retailers, restaurants, and food processors.

Numerous private sector jobs are supplied at the facility, though many are seasonal in nature. Market revenue is generated by long and short-term leases, gate fees, and daily stall rentals.

Additional revenue is received from parking for football games. Revenue has been increased by raising rates. All facilities that are suitable for year-round operations are leased. Seasonal income is dependent on the size of the state's agricultural production of produce. Plans are now under way for the relocation of the Columbia Market from Bluff Road to the intersection of Shop and Pineview Roads.

State Farmers Markets Revenue



Wholesale operations dominate the **Greenville State Farmers Market**. The facility provides the same services as the Columbia market, but only on a smaller scale. This market operates year round, 24 hours a day, seven days a week, closing only on Thanksgiving and Christmas Days. A staff of five operates the market – two are part-time and needed to control access during nights and weekends. However, many of the structures are old and in need of substantial investment to bring them up to present day standards.

This **Pee Dee State Farmers Market**, located in Florence, provides space for daily sales by farmers and long-term leases to wholesale and retail operations. It has become a major venue of the sale of horticultural products and draws consumers from a broad geographic area. Spring and fall plant and flower festivals are a main draw for the market and help promote year-round business. Operated by a staff of five, only one is part-time. The market is closed on Sundays and at night.

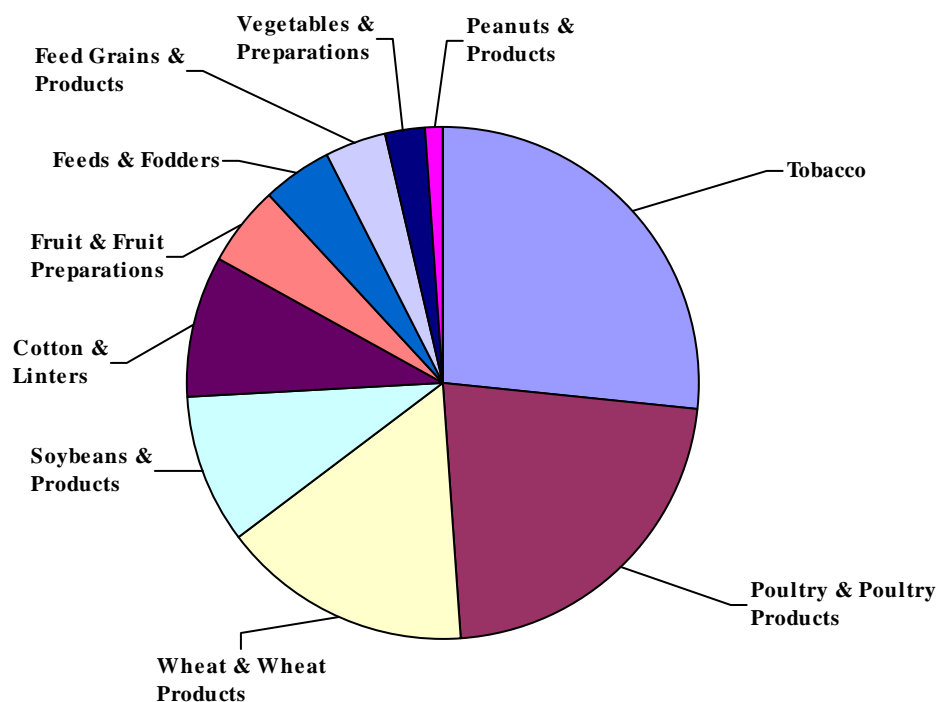
The only warehouse building at the Pee Dee Market is leased to the Harvest Hope Food Bank which operates a regional distribution center from the facility. Harvest Hope serves people in need with surplus food products. The renovated “Red Barn” is used for horticultural training classes to assist in the expansion of the green industry in the Pee Dee area.

The expansion of this industry benefits not only the local agricultural community but the ability to offer a wider variety of product for sale through the facility also benefits the market itself. Retail space in the Red Barn is leased at the present time. During the spring and summer months the stall space at the market is fully utilized. The budget passed in FY 06 provides \$750,000.00 for an additional retail farmers building. The layout and plan for this building have been completed and construction should start late summer of 2007. This additional space will provide needed retail area for local products along with increasing our market revenue.

- **Produce Marketing and Promotion** - supported the utilization and orderly marketing of South Carolina’s major fresh and processed fruit and vegetable crop/helped to stabilize decreasing numbers in fresh fruit and vegetable production industry with cooperative cost effective marketing plans, programs, and promotions so that consumers can have access to fresh, locally grown produce.
- **Retail and Food Service** - maintained the level of awareness at consumer level in South Carolina retail and food service establishments.
- **Food Nutrition and Food Safety** - maintained consumer confidence in food channels, supporting healthy nutritional diets while removing fear of contaminated products, thereby increasing fresh and processed product consumption.
- **Market News Service** - the Market News Service analyzes and distributes price, volume and other market information from shippers, wholesalers, brokers, and market vendors to all segments of the produce and livestock industries and to consumers through printed reports, telephone recording devices, daily radio programs, and weekly newspapers. Market News includes Fruit & Vegetable Market and Livestock Market News Service.
- **Specialty Products** - provided continued exposure and high visibility of South Carolina specialty products, both fresh and processed, at all levels of retail and wholesale trade/assisted over 55 specialty product manufacturers and distributors through South Carolina trade shows and supplied trade leads.
- **Market Development and Expansion** - provided marketing and promotion assistance which helped establish and maintain South Carolina growers as number two in peach production, number two in flue-cured tobacco production, number six in tomato production, number six in peanut production, number seven in watermelon production, number eight in turkey production, number eight in sweet potatoes, number twelve in cotton production, and number twelve in pecan production.
- **Equine Program** – served 35,000 owners with 84,000 plus animals that have an estimated economic impact on our economy of 478 million dollars/worked with other public and private agencies to develop a statewide equine survey.
- **Aquaculture** – coordinated activities of the Aquaculture and Striped Bass Association with over 70 members in addition to cooperative effort with national associations monitoring legislative issues concerning the industry.

- **Ornamental Horticulture Program** – Worked with over 700 members of the Nurserymen's Association, green house growers, landscape, and turf and sod producers having sales in excess of 1.5 billion dollars.
- **Agribusiness Support Services** – assisted over 100 established agribusiness firms with marketing and production assistance as well as assistance with packaging, transportation, and other aspects of business for profit and expansion within South Carolina.
- **Pecan Producers and Processors** – worked with three commercial processors and with South Carolina production.
- **Certified Roadside/Direct Marketing** – served over 120 markets and direct sales outlets
- **Domestic Market Development** – participated in 7 National Exhibitions, and regional promotional exhibitions, contacted over 500 chain and food service buyer/establishments. Coordinated in-state visits for chain and food service buyers with outlets numbering over 5,000.
- **International Market Development** – worked to develop and expand markets abroad which supported millions of dollars in agricultural exports from South Carolina.

SC Ag Exports by Commodity



- **SC Commodity Boards** – assisted the present seven SC Commodity Boards with their collections, marketing, administrative, and other related duties to promote sales, usage and research for each.

Beef Board
Cotton Board

Pork Board
Peanut Board

Soybean Board
Tobacco Board

Watermelon Board

- **Major Agricultural Associations** – coordinated and worked closely with Chairmen and Association Boards with their administrative, marketing, financial guidance, and other related items.

SC Cattlemen's Association
 SC Corn and Soybean Growers Association
 SC Peach Council
 SC Tomato Association
 SC Watermelon Association
 SC Peanut Growers Association

- **Grading and Inspections**

Commodity inspection and grading is provided through cooperative agreement between the US Department of Agriculture and the South Carolina Department of Agriculture.

Fruit, vegetable, and peanut grading and inspection services are provided at shipping point, receiving locations, and terminal markets to specify grade, count, weight, and other factors important in quality determination. Official certificates of grade are issued by inspectors to verify grade factors.

Poultry and egg grading services are provided for shell eggs, egg products, poultry, rabbits, school lunch programs, and meals ready to eat (M.R.E.) at packing and processing facilities throughout the state to insure that products meet grade and quality standards. Products are also inspected and certified at export warehouses for international shipments.

The South Carolina Grain Grading and Inspection Service is headquartered in Shed 14 of the Columbia State Farmers Market, 1001 Bluff Road, Columbia, SC. The Inspection Service works with producers, brokers, receivers, food processors, export marketers, and other related avenues of grain movement to inspect and certify the quality and cleanliness of grain produced or shipped into South Carolina as this grain moves through normal marketing channels.

- **Agribusiness Development**

The agribusiness development program was involved in a number of potential projects for South Carolina. Alternative fuel projects continue to be of interest. A biodiesel plant was established in Charleston. Carolina Soya has expanded into further refined soybean oil and will expand this operation into a biodiesel plant. Other projects are being considered related to ethanol production, as well as, biodiesel production.

The Department assisted McCall Farms, a major food processor and canner, as it expanded into the frozen business. McCall Farms purchased a plant located in Georgia and through the assistance of local, state and federal efforts were convinced to relocate the equipment to the plant in Florence County.

- **Small Farms Program**

The Small Farms Program continued to provide training to farmers interested in participating in the senior farmers market nutrition program and the WIC program. The Department trained and certified 354 farmers for the program this year.

Personnel also assisted 65 local community farmers markets around the state. The department assisted in finding farmers to sell locally grown produce at these markets and assisted local officials in providing information to local participants about how they could access the program. The EBT pilot program established by a Kellogg and Ford Foundation grant continued into this fiscal year. This pilot program will provides a means for food stamp recipients to use EBT cards to purchase locally grown produce at community based farmers markets. The grant also allowed for the continued hiring of interns to assist in implementing the program.

- **Market News and Information**

Market News Service specialists analyzed and distributed price, volume and other market information from shippers, wholesalers, brokers, and market vendors to all segments of the produce and livestock industries. The information was distributed through printed reports, telephone recording devices, daily radio programs, as well as daily and weekly newspapers.

The Office of **Communications and Public Information** provided public awareness of South Carolina products and supported the marketing and promotion effort. CPI worked efficiently and effectively to communicate with the public through print and electronic means to provide valuable information to our customer base, and, at the same time, reduce costs. CPI also publishes the *Market Bulletin*, maintains the agency web site, oversees the agency media and public relations, produces an agency newsletter, produces publications and print materials for the agency, provides publicity for special promotions and projects, provides support for partners and allies in the industry of agriculture, and serves in the communications arm of emergency preparedness and recovery.

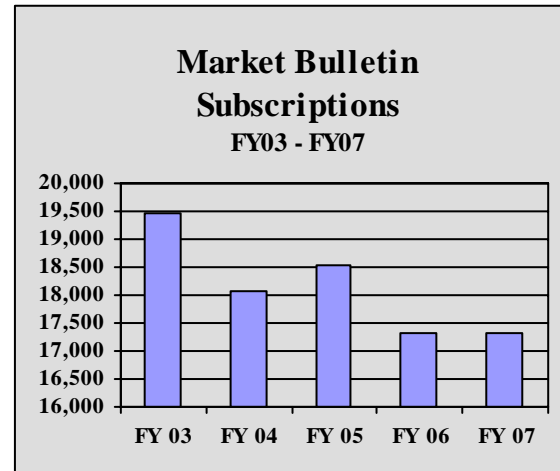
- ***Market Bulletin***

The 94-year-old *Market Bulletin* is published twice a month for producers and consumers as a resource for buying and selling agricultural and agricultural-related items as well as a resource for valuable information. Because of thorough validation of information, there has been a significant increase in compliments about the accuracy of the publication.

Because of difficulties with the printing/ mailing contractor, subscribers were receiving the publication late. That issue was remedied with a new contractor and the assistance of the US Postal Service. The

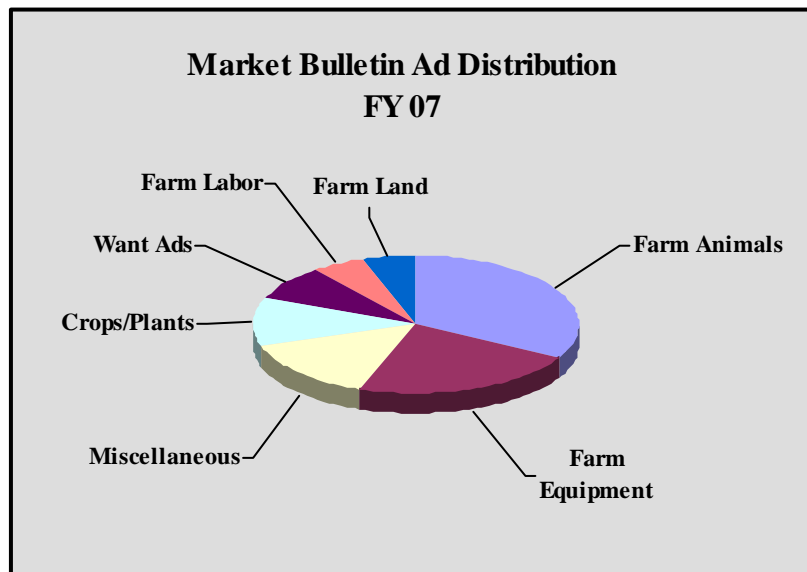
Market Bulletin includes information designed to encourage buying and selling of the state's locally grown produced through the "South Carolina Quality" Program and hundreds of agricultural events.

Approximately 416,000 copies were printed during the year and sent to an average of about 17,500 subscribers. Staff continues to aggressively market the *Bulletin* through other publications and partnerships with other organizations. Many thousands of dollars are saved in the printing process because the circulation, copyediting, layout and design are performed in-house.



About 14,200 ads were published during the last fiscal year. Communications and Public Information now receives more ads electronically for the agency publication than through the postal service. Based on a survey several years ago that reported an average of \$12 million sold in goods through each issue, the total sold in 24 issues could be as high as \$288 million during a fiscal year.

Through the *Market Bulletin*, farmers are able to sell their farm equipment which enables them to buy new equipment. Farmers are also provided a vehicle in which they can sell their livestock and crops.



In addition, non-farmers find plants, flowers, seeds, and other items of interest to them. The largest segment of ads was for farm animals including cattle, goats, sheep, llamas, hogs, horses, poultry, and rabbits. The second largest number of ads was for farm equipment. Crops and plants which includes fresh produce, garden plants, flowers, and hay and grain provided the third largest number of ads. Ranked 7th

in the list of categories, farm land for sale ads total an average of over \$7 million in each of the 24 issues during the fiscal year. The total ads in that one category alone exceed \$175 million for the year. Those figures do not include farm land for rent or lease. The *Market Bulletin* has long been a resource for economic stability, especially in rural communities.

- **Web site**

The agency web site has become a valuable resource for consumers and producers in the state. In the last survey, the agency website was viewed worldwide about one-third of million times. In addition, a web site was added for the Certified SC Grown program. Future plans include the merger of all the SCDA web sites into one uniform format that is more user-friendly and one that complies fully with accessibility standards for people with disabilities.

The agency continues to maintain a statewide master calendar of agricultural events and meetings so that individuals and organizations can post their own events and meetings. The concept was designed to prevent overlaps in scheduling of agricultural meetings, workshops, and events. A weekly Market News Report, SC Farm Report and Daily Peach Reports as well as a list of packers, stockyards, auction markets, vet services, USDA information, and U.S. grades for steers, cattle and meat goats are now included on the web site.

- **Publications**

Communications and Public Information produced a variety of brochures and publications throughout the year. For instance, the South Carolina Produce Shippers Guide was published and distributed to buyers and sellers to assist in marketing millions of pounds of South Carolina produce. The guide lists over 165 South Carolina produce shippers.

- **Public, Media, and Internal Relations**

Communications and Public Information published an electronic internal quarterly newsletter within the South Carolina Department of Agriculture which helps to provide information and build staff morale. The office also proactively distributed over 160 news releases communicating key messages to media outlets statewide. Those releases produced favorable, free media coverage for the Department and for agriculture in the state. In fact, one release on the availability of SC peaches actually had an expected readership value was 1.25 million people in the state. Because the peach crop was devastated by a late freeze, the public thought that there were no peaches available when, in fact, they were still available at the local level. While promotional media coverage was released, information regarding recalls on food products was also issued throughout the fiscal year to alert consumers of possible food safety issues.

- **Special Promotions and Projects**

The 4th Annual Commissioner's School for Agriculture was held in June 2007. The school was established as a leadership development summer program designed to inform, inspire, and challenge students to consider a career in agricultural, natural resource, and life science industries. Students from across South Carolina (and one from out-of-state) gathered at Clemson University to participate in the week-long program. The school began in 2004 and was modeled after similar programs at other land-grant institutions. The school is sponsored by the Commissioner of Agriculture and the SCDA and hosted by the College of Agriculture, Forestry and Life Sciences at Clemson University. Thirty-two students, including six from out-of-state locations, were chosen to participate in this week-long program that promotes scientific exploration, academic integrity, teamwork, personal growth and leadership amongst the participants.

The first SCCSA program was held in the summer of 2004 and was modeled after similar programs at other land-grant institutions including Pennsylvania State University and Virginia Tech. One of the missions of this school is to recruit students into these essential careers. This mission is evidently met with nearly 60% of the high school graduates attending Clemson in related areas of study. The group also participates in a wide variety of professional development workshops and extracurricular activities like whitewater rafting down the Chattooga River. The school operates only on private donations and a small registration fee from each student. Out-of-state students pay the entire cost of the school. The students reunite in Columbia every year. During that time they tour South Carolina Department of Agriculture facilities and visit with State Legislators. Department staff assisted with the week-long activities.

Other promotions and projects during the last fiscal year include:

- Farmers Market Week Promotion
- A SC Taste with the Palmetto Food and Agribusiness Council on the State House plaza
- Promotion of SC Produce at Eastern Produce Council in Teaneck, New Jersey
- Five Plant and Flower Festivals at the State Farmers Markets
- U.S. Food Export Showcase in Chicago
- National Animal ID Program Promotion in cooperation with State Vet and Clemson Livestock and Poultry Health
- South Carolina State Fair Exhibit
- Carolina Q Cup World Barbecue Competition
- South Carolina Equine Census and Aquaculture Census Promotions in cooperation with USDA Ag Statistics
- Special Promotions of Community-based Farmers Markets, FFA events, Farm Tours, Ag Study Tours, and Other Agricultural Events
- Avalanche Presentation to State of SC Department of Agriculture to promote Ethanol and Flex Fuel Vehicles
- Educational Farm Garden at Riverbanks Zoo with cooperation of Clemson Extension Service

- **Partnerships**

One of the Commissioner's top goals has been to build coalitions with other organizations to increase the efficiency and the effectiveness of the Department of Agriculture. Alliances and partnerships with other public and private organizations continue to be developed and nourished to utilize all available resources in a cooperative effort. These alliances have proven beneficial to providing information to the citizens of the state at a significant cost reduction in taxpayer dollars. The Department continues to work with the SC Advocates for Agriculture, a non-profit organization designed to improve marketing and promotion of South Carolina agricultural products and of the industry of agriculture. The Department is also working with the SC Food Policy Council, Palmetto AgriBusiness Council, the Palmetto Institute, Farm Bureau, and others. In addition, the Department is continuing to assist in the establishment of a SC Direct Marketing Association and is working with farmers markets in the Community-based Farmers Market Program. The office has also provided promotion and publicity for the Ag Commission of South Carolina and various commodity boards.

- **Emergency Preparedness**

An emergency preparedness section has been included on the agency web site to provide information for livestock owners on evacuation sites, information on how to evacuate livestock, and links to the South Carolina Emergency Management Division. A link to the National Animal Identification Program was also established to provide information to livestock owners about the nationwide effort to locate and identify livestock in case of a nationwide animal disease emergency.

Staff also participated in exercises to prepare for real emergency events. In addition, staff members are required to work 8-hour shifts in real emergency hurricane events and are also deeply involved in emergency recovery and agriterrorism planning.